

Housing Authority of Champaign County

Moving to Work



Year 1

Annual Report

October 1, 2010 - December 31, 2011

Revised Submission:
August 17, 2012

I. INTRODUCTION

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I. INTRODUCTION

B. Overview of Goals, Objectives and Activities

Background

The Housing Authority of Champaign County (HACC) was selected to participate in the Moving to Work Program in May, 2010 and the MTW Agreement was executed by HUD on October 17, 2010.

HACC secured approval to change its fiscal year from April 1st through March 31st to a calendar year of January 1st through December 31st. As a result of the change in fiscal year, the initial MTW Plan was for the fifteen month period from October 1, 2010 through December 31, 2011. This report covers the MTW activities during this period.

Overview of HACC's Goals and Objectives

The Housing Authority of Champaign County's identified three goals for its Moving to Work Program. These goals along with corresponding objectives and Year 1 activities are described below.

Goal 1 - Operational Efficiency through Innovation – Streamlining business processes and implementation of advanced technological solutions that will result in operational cost efficiencies and enable reallocation of resources to local initiatives and strategies.

Objectives

- a. Reduce current workloads of staff by simplifying routine transactional processes.
- b. Implement additional technology to ease administrative burden and reduce paperwork for standard operations.
- c. Utilize cost savings to support new initiatives designed under this plan.

Year 1 MTW Activities

1. Local Investment Policies
2. Biennial Re-certifications

Goal 2 - Self-Sufficiency – Providing alternate incentives designed to motivate families to actively seek financial independence and transition from dependency on housing subsidy. Carefully measure success of each incentive to identify and replicate the greatest motivators.

Objectives

- a. Engage families in self-improvement activities designed to meet their individual needs and goals.
- b. Adopt policies that mandate personal accountability and financial responsibility.
- c. Assess results and adjust incentives to provide continued motivation.

Year 1 MTW Activities:

3. Mandatory Local Family Self-Sufficiency Program
4. Employment Requirement
5. Minimum Rents by Bedroom Size
6. Tiered Flat Rents

Goal 3 - Expand Housing Opportunities through Repositioned Assets – Maximizing HACC’s economic viability and sustainability through repositioning the current real estate portfolio and development of new affordable housing opportunities to meet the broad spectrum of low and moderate income residents of Champaign County.

Objectives

- a. Increase the number of “hard” units with HACC ownership that provide direct subsidy to the lowest income tenants.
- b. Create opportunities for additional development of “hard” units through public and private partnerships.
- c. Maximize income and extend viability of existing designated public housing sites through conversion to alternate subsidy.
- d. Develop homeownership opportunities relevant to today’s real estate market.

Year 1 MTW Activities

7. Modified Definition of Elderly
8. Local Homeownership Program
9. Local Project Based Voucher Program

II. GENERAL HOUSING AUTHORITY OPERATING INFORMATION

A. Housing Stock Information

Number of Public Housing Units at the End of the Plan Year

The chart below summarizes the Public Housing units as of December 31, 2011.

HOUSING AUTHORITY OF CHAMPAIGN COUNTY TOTAL NUMBER OF PUBLIC HOUSING AND HOUSING CHOICE VOUCHER UNITS PUBLIC HOUSING UNITS AS OF DECEMBER 31, 2011.									
Project	Name	Type	Total Units	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
IL06-01	Dorsey Homes	Family	See discussion below on changes in housing stock.						
IL06-05	Dunbar Court	Family							
IL06-06	Columbia Place	Elderly	16	0	16	0	0	0	0
IL06-07	Skelton Place	Elderly/Disabled	84	14	68	2	0	0	0
IL06-08	Youman Place	Elderly	20	0	20	0	0	0	0
IL06-09	Scattered Sites	Family	16	0	0	0	0	0	16
IL06-12	Steer Place	Elderly	108	0	107	1	0	0	0
IL06-13	Washington Square	Elderly	104	0	103	1	0	0	0
IL06-17	Hayes Homes	Elderly	6	0	6	0	0	0	0
TOTAL PUBLIC HOUSING UNITS			354	14	314	4	0	0	16
SUMMARY OF PUBLIC HOUSING UNIT TYPES									
Total Family Units			16	0	0	0	0	0	16
Total Elderly/Disabled Mixed Units			84	14	68	2	0	0	0
Total Elderly Only Units			254	0	252	2	0	0	0

Changes in Public Housing Stock – Public housing units decreased from 443 total units to the 354 units during the plan year as detailed in the chart below. This represents a decrease of 89 units resulting in a 20% total decrease in the public housing portfolio during the plan year.

CHANGES IN PUBLIC HOUSING STOCK	
Total Units Beginning of Plan Year	443
Less Dorsey Homes	(67)
Less Dunbar Court	(26)
Plus New Units at Steer Place	4
TOTAL UNITS END OF PLAN YEAR	354

Dorsey Homes and Dunbar Court were approved for demolition during the plan year and as a result, units were taken off line and no longer available for occupancy. All residents have been relocated as of the date of this report and the demolition contract has been awarded. Demolition is scheduled for completion by May 31, 2012.

Final redevelopment plans for Dunbar Court have been completed and a 9% Low Income Housing Tax credit application is pending approval from the Illinois Housing Development Authority. Redevelopment of Dorsey Homes is in the preliminary planning stage.

Actual Capital Expenditures

There were no single capital expenditures in excess of 30% of HACC's total annual Capital Fund Grant during the plan year.

New Public Housing Units

The chart below identifies the new Public Housing units that were added to the Public Housing portfolio during the plan year.

HOUSING AUTHORITY OF CHAMPAIGN COUNTY									
PUBLIC HOUSING UNITS TO BE ADDED BY DECEMBER 31, 2011									
UNIT TYPES			PUBLIC HOUSING			OTHER UNITS			
Project Name	Type	Total Units	1 BR	2 BR	3 BR	1 BR	2 BR	3 BR	4 BR
Steer Place	Elderly	4	4	0	0	0	0	0	0
TOTAL		4	4	0	0	0	0	0	0

Steer Place is an existing traditional Public Housing Community in the HACC's portfolio. Several years ago, HACC had offices in the lower level of this building and since relocating the offices, the space remained unused. HACC renovated this space into four fully accessible one bedroom units during the plan year.

New Public Housing Units Scheduled but Not Completed – Two additional projects were scheduled to be developed during the plan year but as of this report, HACC had not completed acquisition/development of these two projects.

HOUSING AUTHORITY OF CHAMPAIGN COUNTY									
PUBLIC HOUSING UNITS TO BE ADDED BY DECEMBER 31, 2011									
UNIT TYPES			PUBLIC HOUSING			OTHER			
Project Name	Type	Total Units	1 BR	2 BR	3 BR	1 BR	2 BR	3 BR	4 BR
Urban Park	Family	24	4	2	0	0	18	0	0
Rantoul	Family/Elderly	20	2	2	2	2	6	4	2
TOTAL		44	6	4	2	2	24	4	2

Urban Park Place is a twenty four unit existing apartment complex in foreclosure located in the City of Champaign. HACC is acquiring the property from the Illinois Housing Development Authority (IHDA) and will convert it to a mixed finance project with 6 public housing units; 12 project based voucher units; and, 6 units with rent restrictions pursuant to the Illinois Affordable Housing Trust Fund.

The project will be financed with HACC Replacement Housing Factor (RHF) funds and a low interest loan from the trust fund. Two units are accessible units for mobility impaired individuals.

This project was scheduled to close by December 31, 2011 but we experienced several delays in negotiations and approval of documents with the Illinois Housing Development Authority. As of the date of this report, all evidentiary documents have been approved by IHDA and submitted to HUD. The mixed finance approval is anticipated to be received by March 31, 2012.

Rantoul Housing is a new construction mixed finance project that HACC had anticipated developing during this plan period. However, the remaining land needed to be acquired went into foreclosure, thus, delaying HACC's ability to complete the acquisition. HACC has been in ongoing discussions with the local bank processing the foreclosure and has been advised that the land should be available by August 2012.

Public Housing Units Removed

The chart below identifies the Public Housing units removed during the plan year. Redevelopment of the sites where these units have been removed is discussed above under "Changes in Public Housing Stock".

HOUSING AUTHORITY OF CHAMPAIGN COUNTY									
PUBLIC HOUSING TO BE REMOVED BY DECEMBER 31, 2011									
Project	Name	Type	Total Units	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
IL06-01	Dorsey Homes	Family	67	0	8	27	24	8	0
IL06-05	Dunbar Court	Family	26	0	4	10	8	4	0
TOTAL			93	0	12	37	32	12	0

Housing Choice Vouchers

The chart below summarizes the MTW Housing Choice Vouchers authorized and the non-MTW Vouchers authorized at the end of the plan year.

HOUSING CHOICE VOUCHERS AUTHORIZED	
Number of MTW Vouchers Authorized	1706
Number of Non-MTW Vouchers Authorized	92
TOTAL	1798

Changes in HCV Authorization – The MTW Vouchers authorized did not change during the plan year. The non-MTW vouchers authorized increased from 0 to 92. HACC received a new allocation of 92 relocation vouchers for the units occupied at Dorsey Homes and Dunbar Court public housing communities at the time of the demolition approval.

Project Based Housing Choice Vouchers

The chart below identifies the Housing Choice Vouchers that were project based during the plan year.

HCV UNITS TO BE PROJECT BASED			
	Total Units	PBV Units Under Contract	PBV Units Committed
Name of Project			
Douglass Square	50	13	
Hamilton on the Park	36		32
TOTAL	86	45	

Douglass Square is a 50 unit multi-family Low Income Housing Tax Credit development located on a former public housing site. The Authority provides a ground lease, but has no additional role in the project. The project was completed in 2007 and is owned and managed by a third party. HACC awarded 13 project based vouchers under its MTW Local Project Based Voucher Program and executed a HAP contract effective October 14, 2011.

Hamilton on the Park is the redevelopment of the former Dunbar public housing community and will consist of a mixed finance project with a total of 36 units. On December 11, 2011, HACC provided a commitment letter for 32 project based vouchers for this property. It is not anticipated that these vouchers will be under contract until March 2013.

Other Housing Owned by HACC

Oakwood Trace is a 50 unit multi-family housing development owned by Central Illinois Development Corporation of Champaign County, a non-profit related entity of the Housing Authority. This project was an acquisition and rehabilitation development financed with a HUD multi-family “up-front” grant; Low Income Housing Tax Credits; CDBG and HOME funds; a Federal Home Loan Bank grant; and private mortgage funds. The project was completed in 2001 and is managed by a third party management agent.

II. GENERAL HOUSING AUTHORITY OPERATING INFORMATION

B. Leasing Information

Actual Leasing Data

The chart below provides the actual leasing information at the end of the plan year.

HOUSING AUTHORITY OF CHAMPAIGN COUNTY	
TOTAL NUMBER OF UNITS LEASED IN PLAN YEAR	
Total Number of MTW PH Units Leased	349
Total Number of Non-MTW PH Units Leased	0
Total Number of MTW HCV units Under Contract	1441
Total Number of Non-MTW HCV Units Under Contract	89
Number of Project Based Vouchers Under Contract	13
Number of Other Affordable Housing Leased	26
TOTAL UNITS LEASED	1918

HCV Leasing – The total HCV units leased of 1,441 represents 19 or 1.3% less than what we had projected would be leased at the end of the year. This variance at the end of the year appears to be the result of delayed lease up due to the Holiday Season and a change in leadership at HACC's HCV program. There were 40 families searching but not yet leased as of December 31, 2012. As of the date of this revised report, there are a total of 1,478 tenant based vouchers under contract and 256 project based vouchers committed.

II. GENERAL HOUSING AUTHORITY OPERATING INFORMATION

C. Wait List Information

Number of Households on the Waiting Lists

The chart below provides a summary of the applicants on the Public Housing and HCV waiting lists at the end of the plan year.

HOUSING AUTHORITY OF CHAMPAIGN COUNTY WAITING LIST DATA AS OF 12/31/011				
BR SIZE	NUMBER OF APPLICANTS			
	PUBLIC HOUSING		HOUSING CHOICE VOUCHER	
	9/30/2010	12/31/2011	9/30/2010	12/31/2011
1 BR	51	75	N/A	N/A
2 BR	18	7	N/A	N/A
3 BR	5	0	N/A	N/A
4 BR	4	20	N/A	N/A
5 BR	4	13	N/A	N/A
Total All	82	115	788	400
VARIANCE	33		-388	

Description of Waiting Lists

Public Housing - HACC administers an agency wide waiting list for public housing. As noted in the chart above, the public housing waiting list increased from a total of 82 applicants at the beginning of the year to 115 applicants at the end of the year. The waiting list for public housing remains open.

Housing Choice Voucher – The HCV waiting list at the beginning of the year had a total of 788 applicants. This list was fully purged and exhausted during the plan year. The waiting list was re-opened with over 2,000 registrations received. Pursuant to the public notice, a total of 400 registrants were selected under a random lottery and placed on the HCV waiting list. This number was determined based on turn over and anticipated voucher availability over the next two years (2012 – 2014).

III. NON-MTW RELATED HOUSING AUTHORITY INFORMATION (OPTIONAL)

IV. LONG TERM MTW PLAN (OPTIONAL)

Detailed information on these items is provided in HACC's Year 2 Plan (2012) and no changes have occurred since submission and approval of the Year 2 Plan. Thus, we have opted to exclude repetition of this information in this report.

V. PROPOSED MTW ACTIVITIES

Proposed Activities Not Implemented

The following MTW Activities were proposed in the Year 1 Plan but not implemented.

- Activity 3 – Mandatory Self-Sufficiency Program
- Activity 4 – Employment/Education Requirements
- Activity 5 – Minimum Rents by Bedroom Size
- Activity 6 – Tiered Flat Rents.
- Activity 8 - Local Homeownership Program

Activity 3 – Mandatory Local Family Self-Sufficiency Program

Description - HACC will create a Mandatory Local Family Self-Sufficiency (FSS) Program for all non-elderly and non-disabled households in both the Housing Choice Voucher and Public Housing Programs. This activity will require mandatory participation for all household members ages 18 and older. It will also include educational requirements for all household members ages 5 through 18.

Participation in the Mandatory Local FSS Program shall be a condition of eligibility for new admissions and continued occupancy for existing residents and shall be mandated by the Public Housing Lease Agreement and the HCV Statement of Family Obligations. Counseling assistance will be available to all households but failure to comply with the Program will ultimately result in termination of housing assistance.

An initial assessment of each family will be conducted at the first annual re-certification as of October 1, 2012 and a self-sufficiency plan developed pursuant to the unique needs of the family members. The head of the household will be held accountable for progress of the self-sufficiency plan for all household members. The ultimate goal for each adult household member will be employment appropriate to skill level.

HACC shall define self-sufficiency as successful completion of the goals and objectives established in the family plan and demonstrated behavior that exhibits personal accountability and financial responsibility.

Households in which all members age 18 and older have been employed for 12 months or more for a minimum of 20 hours or more shall be exempt from the Mandatory FSS Program. Households shall be considered as having completed their Mandatory Self-sufficiency program when all members age 18 and older are employed a minimum of 20 hours or more per week for at least one year.

An incentive payment will be provided for families that successfully accomplish their goals on an annual basis. An incentive payment schedule shall be established prior to implementation of the program. Additional financial analysis and consultation with residents will assist HACC in determining the exact amounts of the incentive schedule.

Each year at the time of annual re-certification, the FSS Plan will be reviewed and HACC will determine if the family has satisfactorily met its goals for the past year. If so, an incentive payment will be provided to the family in one of two ways (family choice): a monthly credit against their rent for the upcoming year; or, a commercial “gift” card equal to 50% of the annual incentive payment.

This activity will be implemented as an eligibility requirement for new admissions effective April 1, 2012. Existing residents and HCV participants will be enrolled in the program at the time of their annual re-certification beginning with October 1, 2012 re-certifications, resulting in full implementation for existing residents by September 2013.

Current Status - This activity has been carried over to the Year 2 Plan with implementation dates as listed below.

- Implementation for New Admissions to be effective as of April 1, 2012
- Assessment of Existing Residents to be completed by October 1, 2012
- Implementation for Existing Residents to be commence October 1, 2012 with full implementation by September 30, 2013.

Activity 4 - Employment Requirement

Description - HACC will implement an employment requirement for all work-able participants age 18 and older. For existing residents, this requirement will be implemented gradually beginning with annual re-certifications as of October 2012. The re-certification numbers listed below represents the annual re-certifications after October 2012.

- Second Re-certification – one adult member must be employed 20 hours or more per week; **or**, enrolled on a full time basis as defined by the institution in a training or educational program;
- Third Re-certification – one adult member must be employed 20 hours or more per week; **or**, enrolled on a full time basis as defined by the educational institution in a degree seeking program;
- Fourth Re-certification – one adult member must be employed 20 hours or more per week; **and**, all other adult members must also be employed 20 hours or more per week **or** be enrolled on a full time basis as defined by the institution in a training or educational program;
- Fifth Re-certification – all adult members must be employed 20 hours or more per week; **or**, one adult member must be employed 20 hours or more per week **and**, all other adult members must enrolled on a full time basis as defined by the educational institution in a degree seeking program;
- Sixth Re-certification – all adult members must be employed 20 hours or more per week.

Waivers will be provided for full time students in good standing seeking a degree that requires more than three years to obtain per the educational institution. All adult members will be required to work a minimum of 1040 hours per year as a condition of continued housing assistance.

The employment requirement shall be a condition of eligibility for new admissions as of April 1, 2012. HACC will implement this activity for existing residents only after it has implemented the Mandatory Local Family Self-Sufficiency Program and the economy has improved.

By first implementing the Mandatory FSS Program, families will have access to community partners that can assist them in reaching self-sufficiency goals. It shall be mandated by the Public Housing Lease Agreement and the HCV Statement of Family Obligations. Counseling assistance will be available to all households but failure to comply with the Program will ultimately result in termination of housing assistance.

HACC shall define self-sufficiency as successful completion of the goals and objectives established in the family plan and demonstrated behavior that exhibits personal accountability and financial responsibility. Since the ultimate goal for each household member must be employment appropriate to skill level, self-sufficiency shall also include some level of employment.

Current Status - This activity has been carried over to the Year 2 Plan with implementation dates as listed below.

- Implementation for New Admissions to be effective as of April 1, 2012
- Implementation for Existing Residents to commence October 1, 2012 with full implementation by September 30, 2013 .

Activity 5 - Minimum Rents by Bedroom Size

Description - After several iterations of the data, HACC established the following policy and procedures to implement this activity.

Households with gross annual income less than 5% of the Area Median Income (AMI) shall pay a minimum rent based on bedroom size of the assisted housing unit. In the public housing program the assisted housing unit is the public housing unit in which the household resides regardless of family size. In the Housing Choice Voucher Program, the minimum rent shall be based on the actual size of the unit selected, not the size of the voucher.

The minimum rent by bedroom size is the amount of tenant rent to be paid to HACC by Public Housing residents and to the landlord by Housing Choice Voucher participants. There is no utility allowance applied to the minimum rent.

The Minimum Rent schedule shall be established annually and shall be effective on January 1st of each calendar year.

Current Status - This implementation plan for this activity was presented to the HACC Board in October 2011 with the following implementation guidelines and has subsequently been implemented accordingly.

- **Effective Date** – The Minimum Rent by Bedroom Size shall be effective January 1, 2012 and shall apply to both the Public Housing and Housing Choice Voucher Programs.

- **New Admissions** – At the time of a new admission after the effective date of this Implementation Plan, HACC shall calculate the gross annual income for the household based on the HUD regulatory definition of income inclusions and exclusions. The regulatory verification hierarchy shall continue to be applicable in verifying the gross annual income. HACC shall identify the range in which the gross annual income falls on the Flat Rent Schedule and the applicable flat rent shall be charged to the tenant/participant. If the gross annual income is less than 5% of the AMI, then the minimum rent based on the size of the unit shall be charged as the tenant rent.
- **Existing Tenants/Participants** – At the time of the annual recertification that will occur between January 1, 2013 and December 31, 2013, HACC shall calculate the tenant rent of existing residents using two methodologies: the HUD regulatory methodology and the methodology outlined in this Implementation Plan. The tenant rent to be charged shall be the greatest of 50% of the Tiered Flat Rent or Minimum Rent by bedroom size or 100% of the tenant rent based on the HUD regulatory calculation methodology. At the time of the annual recertification that will occur between January 1, 2014 and December 31, 2014, HACC shall calculate the rent based solely on the methodology outlined in this Implementation Plan.

Activity 6 – Tiered Flat Rents

Description - After several iterations of the data, HACC established the following policy and procedures to implement this activity.

- **Flat Rent Schedules** – Separate flat rent schedules shall be established for the Public Housing and the Housing Choice Voucher Programs. In the Public Housing Program, different flat rent schedules shall be established based on the utilities paid by the tenant at the applicable property. In the Housing Choice Voucher Program, two flat rent schedules shall be established: one schedule will represent units in which the participant is responsible for payment of heat; the second schedule will represent the flat rent for units in which the costs of heat are included in the Rent to Owner. The flat rent schedules shall be established annually and shall be effective on January 1st of each calendar year. The flat rent schedule is based on the gross annual income of the household with no further deductions or allowances.
- **Tiered Flat Rents** – The tiered flat rent amount shall be based on income ranges established in increments of 5% of the Area Median Income (AMI). The applicable flat rent for an assisted household shall be the corresponding rent for the range in which the gross annual income of the household falls. The flat rent is the amount that the tenant will pay towards rent. Utility allowances are eliminated.

Current Status - This implementation plan for this activity was presented to the HACC Board in October 2011 with the following implementation guidelines and has subsequently been implemented accordingly.

- **Effective Date** – The Tiered Flat Rents shall be effective January 1, 2012 and shall apply to both the Public Housing and Housing Choice Voucher Programs.

- **New Admissions** – At the time of a new admission after the effective date of this Implementation Plan, HACC shall calculate the gross annual income for the household based on the HUD regulatory definition of income inclusions and exclusions. The regulatory verification hierarchy shall continue to be applicable in verifying the gross annual income. HACC shall identify the range in which the gross annual income falls on the Flat Rent Schedule and the applicable flat rent shall be charged to the tenant/participant. If the gross annual income is less than 5% of the AMI, then the minimum rent based on the size of the unit shall be charged as the tenant rent.
- **Existing Tenants/Participants** – At the time of the annual recertification that will occur between January 1, 2013 and December 31, 2013, HACC shall calculate the tenant rent of existing residents using two methodologies: the HUD regulatory methodology and the methodology outlined in this Plan. The tenant rent to be charged shall be the greatest of 50% of the Tiered Flat Rent or 100% of the tenant rent based on the HUD regulatory calculation methodology. At the time of the annual recertification that will occur between January 1, 2014 and December 31, 2014, HACC shall calculate the rent based solely on the methodology outlined in this Plan.

Activity 8 - Local Homeownership Program

Description - HACC will create a local homeownership program which will include the following components:

- Down payment and closing cost assistance not to exceed a total of \$10,000.
- A monthly flat fee to assist towards total housing costs not to exceed 30% of total housing costs (principal, interest, taxes, insurance, utilities and maintenance reserve) or 50% of gross monthly income.
- A short term (not to exceed six months) emergency assistance plan
- Maximum lifetime assistance as follows:

HOUSING AUTHORITY OF CHAMPAIGN COUNTY	
LOCAL HOMEOWNERSHIP PROGRAM	
MAXIMUM ASSISTANCE	
Total Household Income	Maximum Combined Assistance
60% - 70% of AMI	\$40,000
71% - 80% of AMI	\$30,000
81% - 100% of AMI	\$20,000

The following criteria shall establish eligibility to participate in the Homeownership Program:

1. The family must have a demonstrated history of compliance with all other MTW activities.
2. At least one adult member of the household must have a consistent employment history of a minimum of five years.
3. The total household income must be a minimum of \$25,000 annually.

4. The family must meet all underwriting criteria to secure a private mortgage.
5. The family must participate in pre- and post-purchase counseling.

Current Status - We intend to revisit this activity during Year 2 and will make a determination based on overall conditions of the local housing market as to the timing of future implementation.

Reason for Delayed Implementation

Activity 5, Minimum Rent by Bedroom Size and Activity 6. Tiered Flat Rents

Multiple attempts were made to develop an implementation plan for these two activities early in the plan year pursuant to the original description of how these activities would be implemented. These attempts revealed critical issues not initially identified:

1. The percent of household income for tenant rent (total tenant payment less the applicable utility allowance for tenant paid utilities) varied substantially from 13% of gross income to 22% of gross income. The corresponding flat rent schedule would also have to vary based on tenant paid utilities to minimize the hardship to be created for tenant rents.
2. PHA tenant rental income would substantially decrease when the initial flat rent schedules were developed based on broad income ranges. Correspondingly, the average PUC (per units cost) for the vouchers would increase as well. This would create a hardship for the PHA as revenue for public housing would decrease and costs for the HCV program would increase.
3. The two activities “overlapped” and it was not clear how the minimum rents would apply to the flat rent schedules.

Back to the Drawing Board – Further analysis of these activities resulted in establishment of the following goals:

- The rent schedules must minimize hardship to tenants/participants; and,
- The rent schedules must not have a negative impact on rental income in public housing or HAP expense in the HCV program.

We completed further analysis and determined that we would need to establish different flat rent schedules based on tenant paid utilities. We also determined that to meet the goals identified above, we would need to establish income ranges based on 5% increments of AMI in lieu of the originally anticipated 10% ranges.

We also determined that the minimum rents by bedroom size would apply to those individuals whose annual gross income was below 5% of AMI. Upon completion of this additional analysis, we finalized the implementation plans and these two activities were implemented pursuant to the implementation scheduled outlined above which occurred subsequent to the Year 1 plan.

Activity 3, Mandatory Self-Sufficiency Program; Activity 4, Employment and Education Requirements; and Activity 8, Local Homeownership Program

These activities were delayed due to the following:

1. Economic conditions in Champaign County which limit job opportunities;
2. Market conditions in Champaign County which negatively impact the homeownership market including foreclosures and more restrictive loan requirements; and,
3. Internal staff capacity to handle the work load.

These activities were included in the year 2 plan with a revised implementation schedule to allow time for increasing staff capacity and continued improvement of local economic conditions.

VI. ONGOING MTW ACTIVITIES

Continued Activities

The following MTW Activities were implemented in Year 1.

- Activity 1 – Local Investment Policies
- Activity 2 –Biennial Recertifications
- Activity 7 – Modified Definition of Elderly
- Activity 9 – Local Project Based Voucher Program

Activity 1 - Local Investment Policies

A. Year Identified and Implemented

This activity was implemented in Year 1 (2011). HACC adopted investment policies consistent with Illinois Public Funds Investment Act (30ILCS235) to the extent such policies are in compliance with applicable OMB circulars and other federal laws. HACC invested in securities authorized under state law that allowed the flexibility to invest productively, efficiently and securely.

This activity was approved through Board Resolution 2011-5 on March 24, 2011. A copy of the resolution is attached in Exhibit A of this report.

B. Impact of MTW Activity - Outcomes

This activity enabled HACC to achieve a more diverse investment portfolio which resulted in increased revenue from investment income. The chart below summarizes the increased investment income achieved during the plan year period (October 1, 2010 through December 31, 2011).

LOCAL INVESTMENT POLICIES			
OUTCOMES			
TIME PERIOD	AVERAGE INVESTMENT	INTEREST RATE	INVESTMENT EARNINGS
Investment Results 2010	3,184,915	1.46%	\$46,500
Investment Results 2011	4,392,752	4.64%	\$203,824
Increase in Earnings	1,207,837	3.18%	\$157,324
Adjusted Investment Results 2011	(1,207,837)	4.64%	-\$56,044
Adjusted Earnings			\$101,280
Percent of Increase		218%	218%

The total average cash invested during 2010 was \$3,184,915 at an average interest rate of 1.46% resulting in total investment revenue of \$46,500. During the plan period, the total average cash invested increased to \$4,392,752. The average interest rate earned during the plan year was 4.64% which resulted in total investment revenue of \$203,824.

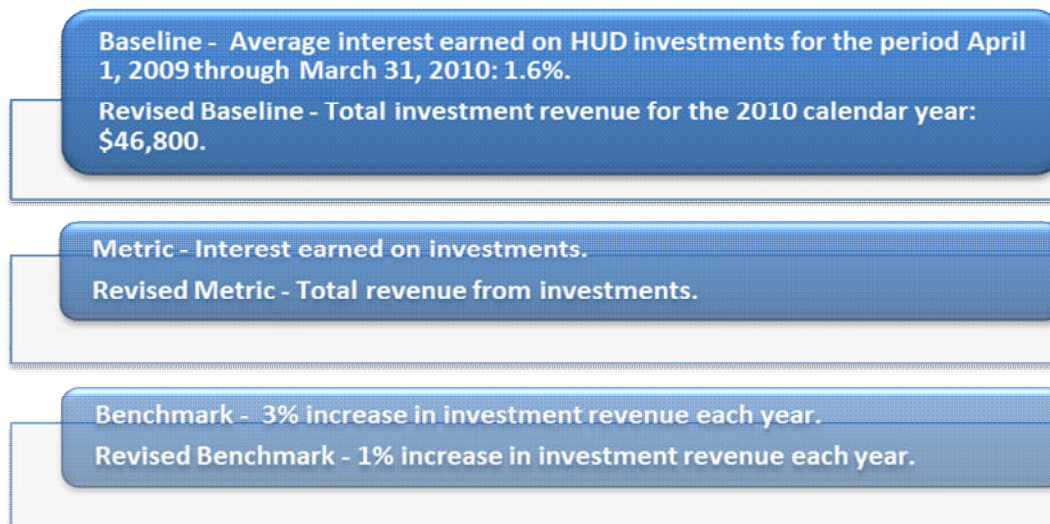
To correctly analyze the outcome of this activity, we adjusted the total average cash invested to the equivalent of the 2010 period. This results in an adjusted increase of total investment revenue of 218% as illustrated above.

C. Challenges/Potential New Strategies

The benchmark for this activity was achieved for this year, thus, no new strategies will be applied at this time.

D. Revised Benchmarks or Metrics

In analyzing this activity, we realized that the baseline and metrics were based on average interest rates but that the benchmark was based on total investment revenue. Thus, we have revised the baseline, the metric and the benchmark to assure that a consistent measurement is used to determine outcomes. The chart below reflects the original and revised baseline, metrics and benchmarks.



Revised Baseline - As noted in the chart above, the original baseline for this activity was based on the average interest rate earned during HACC's FY2010. We revised the baseline to correspond to a calendar year so that the time periods reviewed would be equivalent periods and coincide with the change in HACC's fiscal year under the MTW Program. We also revised the baseline to total revenue earned on investments versus the interest rate to coincide with the benchmark.

Revised Metric – The metric was revised to total revenue earned on investments versus the interest rate to coincide with the benchmark.

Revised Benchmark – The benchmark was revised downward from a 3% increase in investment revenue to 1% increase each year. While in this initial year of MTW we were able to show significant increase in investment revenue due to a more diversified investment portfolio, it is unlikely that this would continue every year particularly based on the current economic conditions.

E. Changes in Data Collection Process

No changes have been made in the data collection process for this activity.

F. Changes in Authorizations

No changes have been made in the authorizations used for this activity.

G. Provisions Waived that Authorize Changes

HACC was authorized to undertake this initiative through Attachment C (B)(5) which waives certain provisions of Sections 6(c)(4) of the 1937 Act and 24 CFR 982.156. The MTW waiver was necessary to enable HACC to diversify its investments and invest in limited risk options available in the market place. Without the MTW waiver, HACC would not have had the option to utilize the more lucrative investment options.

Activity 2 - Biennial Re-certifications

A. Year Identified and Implemented

This activity was implemented in Year 1 (2011). HACC converted to biennial recertifications for households with fixed income in both the Public Housing and Housing Choice Voucher programs.

This activity was approved through Board Resolution 2011- 6_ on March 24, 2011. A copy of the resolution is attached in Exhibit A of this report.

B. Impact of MTW Activity - Outcomes

This activity reduced the total annual re-certifications completed thus, reducing cost and achieving greater cost effectiveness of federal funds. This activity also reduced the workload of staff assigned to process rent calculation transactions and enabled this staff to provide more support to residents working towards self-sufficiency.

The chart below summarizes the reduction in the number of recertifications completed and the total staff hours saved as a result of the reduced workload during the plan year.

BIENNIAL RECERTIFICATIONS		
OUTCOMES		
PUBLIC HOUSING PROGRAM	2010	2011
Total Public Housing Units Occupied	432	349
Total Number of Fixed Income HH's	331	331
Number of Fixed Income HH's Recertified	331	202
Percent of Fixed Income HH's Recertified	100%	61%
Average Minutes to Complete Recertifications	180	180
Total Staff Hours to Complete Recertifications	993	606
Decrease in Staff Hours	387	
Percent of Decrease in Staff Hours	39%	
Estimated Annual Savings (\$21.00 Per Hour)	\$8,127	
HOUSING CHOICE VOUCHER PROGRAM	2010	2011
Total Number of Fixed Income HH's	371	371
Number of Fixed Income HH's Recertified	371	186
Percent of Fixed Income HH's Recertified	100%	50%
Average Minutes to Complete Recertifications	240	240
Total Staff Hours to Complete Recertifications	1,484	742
Decrease in Staff Hours	742	
Percent of Decrease in Staff Hours	50%	
Estimated Annual Savings (\$21.00 Per Hour)	\$15,582	

The total number of annual recertifications was reduced to 61% for households with no earned income in the Public Housing Program and to 50% for households with no earned income in the Housing Choice Voucher Program. The combined savings from this effort resulted in decreased staff time of 1,129 hours and an estimated \$23,709 in staff costs.

The benchmark for both programs was 50% savings. This benchmark was accomplished for the HCV Program but was slightly less (39%) for the public housing program. This was the result of the way in which the activity was implemented in public housing. In lieu of randomly selecting 50% of all affected households, the staff chose to select complete properties in which to implement the biennial recertifications.

Rent Reform Initiative – This activity represents a rent reform initiative. Residents were informed of the opportunity to request a hardship but no requests were received as a result of this activity.

C. Challenges/Potential New Strategies

We did not have any challenges with the implementation of this activity and no new strategies will be applied at this time.

D. Revised Benchmarks or Metrics

Baselines, metrics and benchmarks have all been revised slightly to provide clarification for this activity. The chart below reflects the original and the revised baselines, metrics and benchmarks.

<p>Baseline 1 - Number and percent of elderly households re-certified annually.</p> <p>Revised Baseline 1 - Number and percent of fixed income households recertified annually.</p> <p>Baseline 2 - Number of staff hours on an annual basis to conduct annual re-certifications for elderly/disabled families.</p> <p>Revised Baseline 2 - Average staff hours to complete an annual recertification.</p> <p>Baseline 3 - PH rental income received from elderly/disabled households; amount of HAP paid for elderly/disabled households.</p> <p>Revised Baseline 3 - PH Rental Income received from fixed income households; average PUC for HAP for fixed income households.</p>
<p>Metric 1 - Number of elderly/disabled households.</p> <p>Revised Metric 1 - Number of household with fixed income.</p> <p>Metric 2 - Staff hours to conduct annual re-certifications of elderly/disabled households.</p> <p>Revised Metric 2 - Average staff hours to complete an annual recertification.</p> <p>Metric 3 - Amount of rental income received in PH; amount of HAP payments in HCV for elderly/disabled households.</p> <p>Revised Metric 3 - PH Rental Income received from fixed income households; average PUC for HAP for fixed income households.</p>
<p>Benchmark 1 - 50% decrease in fixed income households re-certified annually.</p> <p>Benchmark 2 - 50% decrease in staff hours to process annual re-certifications for fixed income households.</p> <p>Benchmark 3 - <5% decrease in rental income; <5% increase in HAP payments.</p>

Revised Baselines – We have revised the first baseline to provide clarification that this activity applies to all households in which there is no earned income and not just elderly or disabled households. Baseline two has been revised to the average staff hours to complete an annual recertification regardless of what type of household. The third baseline has been revised to also clarify that the rental income and average per unit cost of housing assistance payments are for households with no earned income and not just elderly or disabled households.

Revised Metrics – The metrics have been revised to provide the same clarifications discussed above under the revised baselines.

Revised Benchmarks – The benchmarks have also been revised to coincide with the revised baselines and metrics as discussed above.

E. Changes in Data Collection Process

No changes have been made in the data collection process for this activity.

F. Changes in Authorizations

No changes have been made in the authorizations used for this activity.

G. Provisions Waived that Authorize Changes

The Agency is authorized to undertake this initiative through Attachment C (C)(4) which waives certain provisions of Sections 3(a)(1) and 3(a)(2) of the 1937 Act and 24 CFR 966.4 and 960.257 and Attachment C(D)(1)(c) which waives certain provisions of Section 8(o)(5) of the 1937 Act and 24 CFR 982.516.

The MTW waiver was necessary to enable HACC to conduct biennial recertifications in lieu of annual recertifications. Without the MTW waiver, HACC would not have been able to convert to biennial recertifications and would not have realized any cost savings.

Activity 7 – Modified Definition of Elderly

A. Year Identified and Implemented

This activity was implemented in Year 1 (2011). Pursuant to the approved Year 1 MTW Plan, HACC adopted a modified definition of elderly to include households in which all household members were age 50 or older.

This activity was approved through Board Resolution 2011- 7 on March 24, 2011. A copy of the resolution is attached in Exhibit A of this report.

B. Impact of MTW Activity - Outcomes

During the plan year, HACC prepared designation plans for several of its public housing properties pursuant to the statutory requirements of Section 10(a) of the Housing Opportunity Program Extension Act of 1996 effective March 28, 1996. The designation plans were prepared in accordance with the streamlined requirements for designating public housing projects under PIH 2005-2 and its subsequent extension notices.

As part of the designation plan, HACC provided clarification of the modified definition of elderly under its MTW Agreement and approved MTW Plan. During this process, it was noted that the Statement of Authorizations (Attachment C) of the MTW Agreement only authorizes the definition of elderly to age 55 and not age 50 as approved in the Year 1 Plan. (See below) Thus, HACC has amended this activity to correspond to the authorization permitted under its Agreement.

Attached C of the MTW Agreement:

3. Definition of Elderly Family

The Agency is authorized to amend the definition of elderly to include families with a head of household or family member who is at least 55 years old, and must be in compliance with the all Fair Housing Requirements, in particular the Housing for Older Persons Act of 1995. *This authorization waives certain provisions of Section 3 (b)(3) and (G) of the 1937 Act and 24 C.F.R. 5.403 as necessary to implement the Agency's Annual MTW Plan.*

The amendment to this activity did not occur until December 2011, thus, the outcomes for this activity will be measured in the 2012 plan year based on the authorized definition of elderly.

C. Challenges/Potential New Strategies

The strategies have been revised to use age 55 in lieu of age 50 for the modified definition of elderly.

D. Revised Benchmarks or Metrics

The chart below reflects the original baselines, metrics and benchmarks. The baselines and benchmarks have been revised as noted.

<div>Baseline 1 - Number of elderly families in 2010: 250. Revised Baseline 1 - Number of elderly (55+) families in 2011: 188 Baseline 2. Current level of resident satisfaction with community: estimated at 5.</div>
<div>Metric 1. Number of elderly families. Metric 2. Percent of residents satisfied with community.</div>
<div>Benchmark 1 - 15% increase in elderly families in period covered by year 1 Plan. Revised Benchmark 1 - 3% increase in elderly families in 2012; 1% in subsequent years. Benchmark 2 - 90% resident satisfaction with community during same period. Revised Benchmark 2 - 80% resident satisfaction with community each year.</div>

Revised Baselines – The first baseline was revised to incorporate the number of elderly households age 55 and older versus age 50 and older. The second baseline remains the same. A resident satisfaction survey will be completed by April 30, 2012 and the results of this survey will establish the actual baseline for this activity going forward.

Revised Metrics – The metrics have not been revised and remain applicable to the modified definition of elderly (55+).

Revised Benchmarks – The first benchmark has been revised downward to 3% increase in 2012 and 1% for each year thereafter. This revision is the result of fewer households with the modified definition at age 55 instead of age 50. Benchmark two has also been revised downward based on the change in the age modification.

E. Changes in Data Collection Process

No changes have been made in the data collection process for this activity.

F. Changes in Authorizations

No changes have been made in the authorizations used for this activity.

G. Provisions Waived that Authorize Changes

HACC is authorized to undertake this activity through Attachment C (B)(3) of the MTW Agreement. This authorization waives certain provisions of Section 3 (b)(3) and (G) of the 1937 Act and 24 CFR 5.403.

The MTW waiver was necessary to enable HACC to admit households under the age of 62 to reside in elderly designated housing. The new definition of elderly as age 55 is consistent with the Low Income Housing Tax Credit program. The LIHTC program is the source for all new development undertaken by HACC. Thus the waiver enabling the modification of the definition of elderly will assure consistency between LIHTC and Section 8/Section 9 subsidy programs.

Activity 9 - Local Project Based Voucher Program

A. Year Identified and Implemented

This activity was implemented in Year 1 (2011). HACC implemented a local Project Based Voucher (PBV) Program to ensure that a greater number of quality units are available to low-income families throughout Champaign County.

This activity was approved through Board Resolution 2010-35 on August 26, 2010 with an implementation effective date of October 1, 2010. A copy of the resolution is attached in Exhibit A of this report.

B. Impact of MTW Activity - Outcomes

This activity enabled HACC to provide project based subsidy to new housing units and improve the financial viability for the development of new affordable housing. It also enabled tenant based voucher holders to relocate to higher quality housing made available with project based vouchers.

HCV UNITS TO BE PROJECT BASED			
Name of Project	Total Units	PBV Units Under Contract	PBV Units Committed
Douglass Square	50	13	0
Hamilton on the Park	36	0	32
TOTAL PROJECT BASED UNITS	86	13	32
TBV Converted to PBV		1	0
TOTAL TBV TO PBV		1	0
Percent of TBV to PBV		8%	0

HACC executed a Project Based Voucher Housing Assistance Payments (PBV-HAP) Contract for one property during the plan year. This contract was for 13 project based units. In addition, HACC provided a commitment of 32 project based units for a second property pending approval of Low Income Housing Tax Credits. Hamilton on the Park is the redevelopment of the former Dunbar Public Housing community. While the actual number of units placed under contract did not reach the established benchmark, the additional units for which a commitment was provided will assure that the combined benchmark for year 1 and 2 is accomplished.

Of the project based voucher units that were placed under a HAP contract in the plan year, 1 tenant based voucher family relocated to a project based unit and forfeited their tenant based voucher. This represents 8% of the total PBV units placed under contract during the plan year.

The local PBV Program includes the following components:

- Project based assistance at properties owned by HACC or an affiliate of the Authority that are not public housing.
 - Project Based units were provided for Hamilton on the Park, a property in which an affiliate of HACC will serve as the General Partner.
 - Project Based units were provided for Douglass Square, the redevelopment of a former public housing community in which HACC provides a long term ground lease.
- Establishment of a reasonable competitive process for project basing leased housing assistance at units in which HACC or a related affiliate has no ownership interest that meet existing Housing Quality Standards or any standards developed by HACC pursuant to this MTW Agreement and approved by the Secretary, and that are owned by non-profit, and for-profit housing entities.

- Project Based vouchers were committed to Hamilton on the Park under the competitive process established by the State of Illinois Low Income Housing Tax Credit Program.
 - Project Based vouchers were provided to Douglass Square based on their response to a formal solicitation issued by HACC.
- Adoption of alternate standards for determining the location of existing, new constructed or substantially rehabilitated housing to receive subsidy in compliance with the requirements outlined in Attachment C of the MTW Agreement.
- HACC has developed and implemented a local site and neighborhood workbook modeled in part from the HUD site and neighborhood standards with some local variations based on redevelopment strategies formally adopted by local municipalities.
- Establishment of project based waiting lists and processing of all project based activities at the property by the respective property management company.
- Douglass Square has fully implemented the project based waiting list and processing of all project based activities at the property.

C. Challenges/Potential New Strategies

A long term solicitation was issued for new construction, substantial rehab or existing units less than five years old. A solicitation for special needs housing will be issued in early 2012. It is anticipated that these solicitations will provide viable proposals for PBV units that meet HACC's goals. Thus, no new strategies will be implemented at this time.

D. Revised Benchmarks or Metrics

No changes have been made to the baselines or metrics. However, the benchmarks have been revised to reflect a more realistic outcome based on staff capacity and the timelines needed to successfully execute a Project Based Voucher Housing Assistance Payments Contract.

<p>Baseline 1 - Current project based vouchers administered: 0.</p> <p>Baseline 2. - Current tenant based voucher holders that moved to a PBV unit: 0.</p>
<p>Metric 1 - Increase in project based voucher units in HACC portfolio.</p> <p>Metric 2 - Percent of new PBV units occupied by tenant based voucher holders.</p>
<p>Benchmark 1 - 102 PBV units in 2011</p> <p>Revised Benchmark 1 - 20 PBV units to be approved each year.</p> <p>Benchmark 2 - 5% of new PBV unit occupied by tenant based voucher holders.</p> <p>Revised Benchmark 2 - 5% of the new PBV units completed each year will be occupied by tenant based voucher holders.</p>

E. Changes in Data Collection Process

No changes have been made in the data collection process for this activity.

F. Changes in Authorizations

No changes have been made in the authorizations used for this activity.

G. Provisions Waived that Authorize Changes

HACC is authorized to undertake this initiative through Attachment C (7) which waives certain provisions of Sections 8(o)(13)(B and D) of the 1937 Act and 24 CFR 982.1, 982.102 and 24 CFR Part 983, 983.51, 983.57 as well as Section 8(o)(8) of the 1937 and 24 CFR 982 Subpart I.

The MTW waiver was necessary to allow HACC to increase the number of vouchers that can be project based. The waiver also permitted project based waiting lists for properties that have PBV units, resulting in expedited lease up. The waiver also enables the property management company to perform all tasks associated with administration of the project based units. Without this waiver, HACC would be limited to the number of PBV units it could award and would ultimately limit the development of new units.

VII. SOURCES AND USES OF FUNDING

A. Sources and Uses of MTW Funds

The chart below summarizes the planned sources and uses versus the actual sources and uses of MTW funds during the plan year.

MTW CONSOLIDATED MTW FUNDS SOURCES AND USES				
October 1, 2010 through December 31, 2011				
REVENUE	10/1/10 - 12/31/10	CY2011	YEAR 1 COMBINED	ACTUAL
Housing Assistance Payments (HAP) Subsidy	2,740,053	11,620,402	14,360,455	14,513,937
Administrative Fees - Pro-Rated @91%	210,680	877,765	1,088,445	1,000,131
PH Subsidy - Pro-Rated 2010 (100%) CY11 (90%)	372,769	1,393,327	1,766,096	1,713,728
PH Rental Income	157,500	630,000	787,500	834,972
Capital Fund Grants	661,005	1,146,460	1,807,465	1,351,728
Investment Interest	20,000	100,000	120,000	202,016
Other Income	3,000	12,000	15,000	42,223
Total Revenue	\$4,165,007	\$15,779,954	\$19,944,961	\$19,658,736
EXPENSES				
Administrative & General	403,356	1,874,765	2,278,121	2,287,527
Utilities	98,880	431,473	530,353	627,716
Operations & Maintenance	310,620	1,279,754	1,590,374	949,667
Housing Assistance Payments	2,520,000	10,512,000	13,032,000	12,107,996
Capital Funds	661,005	1,146,460	1,807,465	1,351,728
Development Projects	100,000	500,000	600,000	367,786
Total Expenses	\$4,093,861	\$15,744,452	\$19,838,313	\$17,692,420
Net Cash Flow from Operations	71,146	35,502	106,648	1,966,316
Net Income (Loss)	\$71,146	\$35,502	\$106,648	\$1,966,316

(Other Income (actual) includes the following amounts: \$16,530 insurance proceeds and \$25,693 in laundry receipts).

As noted, the net income realized exceeded the planned amount by \$1,859,668. This is attributed to several variables:

- HCV HAP Subsidy, HCV Administrative Fees and PH Operating Subsidy were all estimated at the proposed proration at the time of preparation of the plan. The actual amounts received exceed the estimated pro-ration by the amounts reflected in the chart above.
- PH Capital Funds were estimated at a higher amount than what was actually received.
- Investment income exceeded the initial projections as discussed under Activity 1 earlier in this report.
- HAP expense was less than anticipated as rents remained relatively constant based on economic conditions in Champaign County.

- Capital Fund expense was less than planned due to delays in the start of some miscellaneous projects.
- Development expenses were limited as closings on two scheduled projects did not occur in the planned year but are scheduled to close in early 2012.

B. Sources and Uses of NON-MTW Funds

The chart below summarizes the planned sources and uses versus the actual sources and uses of Non-MTW funds during the plan year.

NON -MTW CONSOLIDATED FUNDS SOURCES AND USES October 1, 2010 through December 31, 2011				
REVENUE	10/1/10- 12/31/10	CY2011	YEAR 1 COMBINED	ACTUAL
HAP - New Construction & SRO	82,650	337,212	419,862	203,522
Administrative Fees - New Construction & SRO	8,210	33,497	41,707	30,146
Replacement Housing Funds	250,000	500,000	750,000	16,694
ROSS Grant	20,000	80,000	100,000	105,940
WIA Youth Program	7,625	31,000	38,625	30,302
S8 FSS	7,800	33,000	40,800	8,208
FHLB Grant	200,000	0	200,000	0
Total Revenue	\$576,285	\$1,014,709	\$1,590,994	\$394,812
EXPENSES				
Administrative & General	41,254	166,516	207,770	169,730
Housing Assistance Payments	82,650	337,212	419,862	222,371
Development	250,000	500,000	750,000	16,694
Total Expenses	\$373,904	\$1,003,728	\$1,377,632	\$408,795
Net Cash Flow from Operations	\$202,381	\$10,981	\$213,362	(\$13,983)
Net Income (Loss)	\$202,381	\$10,981	\$213,362	(\$13,983)

As noted, the planned net income was substantially less than the amount planned. The variables that attributed to a net loss in lieu of the projected net income are as follows:

- Replacement Housing Funds are only counted as revenue upon receipt. As stated above, two development projects were rescheduled to close in 2012 versus 2011, thus, the RHF funds that had been planned to enter as revenue were not drawn.
- The Federal Home Loan Bank Grant was not drawn in 2011. This grant was for a traditional public housing project (Steer Place) thus, it was necessary for HUD to develop a new tool that would enable HACC to record the Recapture Agreement as required by FHLB in a manner consistent with the ACC. This resulted in the development of a PHA Mortgaged Transaction for Modernization Amendment to the Consolidated Annual Contributions Contract. Due to the uniqueness of this transaction, the time period to secure HUD approval was substantially longer than anticipated.

C. Sources and Uses of Central Office Cost Center

The chart below summarizes the planned sources and uses versus the actual sources and uses of the Central Office Cost Center (COCC) during the plan year.

CENTRAL OFFICE MTW CONSOLIDATED FUNDS SOURCES AND USES				
October 1, 2010 through December 31, 2011				
REVENUE	Oct - Dec 2010 Planned	CY2011 Planned	YEAR 1 ALL PLANNED	Actual (10/10 - 12/11)
Public Housing Management Fees	76,654	306,617	383,271	394,771
Public Housing Bookkeeping Fees	9,730	38,916	48,646	49,695
Public Housing Asset Management Fees	13,470	53,880	67,350	66,850
Capital Fund Program Mgt Fee	25,409	95,387	120,796	78,664
S8, EOM & SRO Management Fee	53,064	220,896	273,960	264,468
S8, EOM & SRO Bookkeeping Fees	33,165	138,060	171,225	165,293
System Administration Fees	1,500	6,000	7,500	1,925
Investment Interest	1,200	6,000	7,200	13,065
Other Income	300	1,500	1,800	1,665
Total Revenue	214,492	867,256	1,081,748	1,036,395
EXPENSES				
Administrative Salaries	95,730	390,578	486,308	472,649
Administrative Benefits (28%)	25,847	105,456	131,303	132,514
Legal	10,750	45,000	55,750	64,639
Staff Training	2,100	3,000	5,100	10,261
Travel/Meetings	4,500	12,000	16,500	17,395
Audit	1,000	6,000	7,000	6,416
Telephone	900	4,000	4,900	15,310
Forms & Office Supplies	6,000	24,000	30,000	26,966
Computer Support/Operations	2,500	20,000	22,500	26,028
Administrative Other	14,022	56,088	70,110	31,783
Total Administrative	163,349	666,122	829,471	803,960
Water	386	1,158	1,544	1,703
Electric	4,325	15,137	19,462	19,400
Gas	3,582	8,955	12,537	9,206
Other Utilities Expense	63	252	315	2,011
Total Utilities	8,356	25,502	33,858	32,320
Maintenance Salaries	10,750	43,000	53,750	47,296
Maintenance Benefits (28%)	3,010	12,040	15,050	9,209
Materials/Office Supplies	1,560	6,240	7,800	17,112
Contracts	11,189	44,756	55,945	42,023
Total Maintenance	26,509	106,036	132,545	115,641

REVENUE	Oct - Dec 2010 Planned	CY2011 Planned	YEAR 1 ALL PLANNED	Actual (10/10 - 12/11)
Insurance	9,536	40,051	49,587	45,674
Other	1,000	4,000	5,000	0
Total General Expenses	10,536	44,051	54,587	45,674
Total Routine Expenses	208,750	841,711	1,050,461	997,595
Net Cash Flow	5,742	25,545	31,287	38,800

(Other income (actual) are real estate tax refunds on land owned by HACC in Rantoul).

As noted, the variance between planned and actual sources and uses for the Central Office Cost Center had minimal variance in the plan year.

D. Cost Allocation Approach

HACC utilized the HUD prescribed Fee for Service approach with no deviations for the plan year.

E. Use of Single Fund Flexibility

There were no uses of the single fund flexibility planned for the plan year.

VIII. ADMINISTRATIVE

A. Progress on Correction of Deficiencies

This section is not applicable.

B. Program Demonstration Evaluation

The University of Illinois Institutional Review Board approved the Moving to Work Evaluation of the Housing Authority of Champaign County on October 10, 2011. With this approval, the evaluation team in the Department of Agricultural and Consumer Economics, led by Dr. Paul McNamara, Associate Professor, was able to move forward and begin conducting the evaluation to identify activities most successful in helping families achieve self-sufficiency. In late October 2011, the evaluation team held a study informational meeting for Housing Authority of Champaign County tenants and waitlist participants. In mid-November the evaluation team received preliminary administrative data from the Housing Authority of Champaign County. The administrative data is being analyzed for baseline information regarding the study population's demographics, work history, and other economic and social variables.

In late November, the Housing Authority of Champaign County initiated an intergovernmental agreement with the Housing Authority of the City of Bloomington for Bloomington's study participation as a comparison group with a voluntary self-sufficiency program. We continue to communicate with the Housing Authority of the City of Bloomington to receive their administrative data and to schedule a study informational meeting prior to data collection.

On December 1, 2011 data collection began, primarily with qualitative Key Informant Interviews of the Housing Authority of Champaign County tenants. Study participants who completed a Key Informant Interview were also invited to complete a Housing and Self-Sufficiency Quantitative Social Survey. To-date, nine tenants have completed Key Informant Interviews and one is scheduled. Five tenants have completed Social Surveys, with three tenants in the process of completing the Survey. One tenant declined to participate in completing the Social Survey.

C. Performance and Evaluation Reports

The performance and evaluation reports for Capital Fund expenditures not included in the MTW Block grant are attached in Exhibit B.

D. Statutory Requirements

The chart below provides the details of the households served by HACC as of September 30, 2010 (the end of the quarter immediately preceding the execution of the MTW Agreement) and the households served at the end of the plan year (December 31, 2011).

HOUSING AUTHORITY OF CHAMPAIGN COUNTY – HOUSEHOLDS SERVED										
PUBLIC HOUSING UNITS										
INCOME LEVELS	ELI (<30%)		VLI (31-50%)		LI (51 - 80%)		>80%		TOTAL	
DATES	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Family PH Units	92	10	9	6	1	0	1	0	103	16
Elderly/Disabled Units	80	77	1	4	1	1	0	0	82	82
Elderly Only Units	224	219	20	32	3	0	0	0	247	251
Vacant									1	0
Non Dwelling Units									10	5
TOTAL PH	396	306	30	42	5	1	1	0	443	354
HOUSING CHOICE VOUCHER UNITS (TENANT AND PROJECT BASED)										
INCOME LEVELS	ELI (<30%)		VLI (31-50%)		LI (51 - 80%)		>80%		TOTAL	
DATES	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Single Households	0	36	0	27	0	2	0	0	0	65
Family Households	640	884	317	232	79	31	3	0	1039	1147
Disabled Households	12	111	1	8	0	0	0	0	13	119
Elderly Households	168	192	27	16	7	3	2	1	204	212
TOTAL HCV	820	1223	345	283	86	36	5	1	1256	1543

OTHER AFFORDABLE HOUSING UNITS (OAKWOOD TRACE - LIHTC ONLY)										
INCOME LEVELS	ELI (<30%)		VLI (31-50%)		LI (51 - 80%)		>80%		TOTAL	
DATES	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Single Households	0	0	0	0	0	0	0	0	0	0
Family Households	0	5	0	11	0	4	0	0	0	20
Disabled Households	0	0	0	0	0	0	0	0	0	0
Elderly Households	0	4	0	2	0	0	0	0	0	6
Vacant									0	1
TOTAL OTHER	0	9	0	13	0	4	0	0	0	27
TOTAL ALL UNITS	1216	1538	375	338	91	41	6	1	1699	1924
Less Off-Line/Vacant									11	6
TOTAL HOUSEHOLDS									1688	1918
VARIANCE	322		-37		-50		-5		230	

The chart below provides a summary of the mix of families served; the income levels of households served and the overall percent of low income households served upon execution of the MTW Agreement and at the end of the plan year.

SUMMARY OF HOUSEHOLDS SERVED				
TYPE OF HOUSEHOLD	2010	2011	Variance	Percent of Variance
Families Served	1142	1183	41	4%
Elderly Served	451	469	18	4%
Disabled Served	95	201	106	112%
Single	0	65	65	N/A
TOTAL	1688	1918	230	14%
INCOME LEVEL	2010	2011	Variance	Percent of Variance
Extremely Low Income	1216	1538	322	26%
Very Low Income	375	338	-37	-10%
Low Income	91	41	-50	-55%
>80% AMI	6	1	-5	-83%
TOTAL	1688	1918	230	14%
Total Low Income Households Served				1917
Percent of Low Income Served				99.95%

The executed certification of compliance with the three statutory requirements is attached in Exhibit C of this report.

EXHIBIT A – BOARD RESOLUTIONS APPROVING MTW ACTIVITIES

EXHIBIT B – PERFORMANCE AND EVALUATION REPORTS
NON-MTW BLOCK GRANT CAPITAL FUNDS

EXHIBIT C – STATUTORY CERTIFICATION

The Housing Authority of Champaign County hereby certifies that it has met the three statutory requirements under the Moving To Work Demonstration Program:

1. At least 75% of the families assisted by HACC are very low income families;
2. HACC has continued to assist substantially the same total number of eligible low income families as would have been served had the amounts of funding under the MTW Block Grant funding flexibility had not been combined; and,
3. HACC has maintained a comparable mix of families served as would have been served had the MTW Block Grant funding not been used under the demonstration.

Executed this 15th day of March, 2012.

HOUSING AUTHORITY OF CHAMPAIGN COUNTY, ILLINOIS

By: Edward Bland

Title: Executive Director

Signature: _____